Panel Decision for dispute CAC-ADREU-002792

Case number	**CAC-ADREU-002792**
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Domain names	**pearl.eu**

Case administrator

Name	**Kateřina Fáberová**

Complainant

Organization / Name	**Pearl Agency Allgemeine Vermittlungsgesellschaft mbH**

Respondent

Organization / Name	**EURid**

INSERT INFORMATION ABOUT OTHER LEGAL PROCEEDINGS THE PANEL IS AWARE OF WHICH ARE PENDING OR DECIDED AND WHICH RELATE TO THE DISPUTED DOMAIN NAME

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FACTUAL BACKGROUND

The object of the present dispute is the interpretation and application of Commission Regulation (EC) No 874/2004 of 28 April 2004 (“Regulation 874/2004”) and the .eu Registration Policy and Term and Conditions for Domain Name Applications made during the Phased Registration Period (hereinafter “the Sunrise Rules”).

Art. 10 (1) of said Regulation 874/2004 provides that holders of prior rights recognised or established by national or Community law shall be eligible to apply to register domain names during a period of phased registration before general registration of .eu domain starts, and that prior rights shall be understood to include, inter alia, registered national and community trademarks.

Art. 12(3) of said Regulation 874/2004 provides that the request to register a domain name based on a prior right shall include a reference to the legal basis in national or Community law for the right to the name, as well as other relevant information, such as trademark registration number.
Art. 3 of said Regulation 874/2004 provides that the request for a domain name shall include inter alia the name and the address of the requesting party and further that any material inaccuracy in the name shall constitute a breach of terms of registration.

Recital 12 of said Regulation 874/2004 sets out the purpose of the phased registration period in the following terms:

“In order to safeguard prior rights recognised by Community or national law, a procedure for phased registration should be put in place. Phased registration should take place in two phases, with the aim of ensuring that holders of prior rights have appropriate opportunities to register the names on which they hold prior rights. The Registry should ensure that validation of the rights is performed by appointed validation agents. On the basis of evidence provided by the applicants, validation agents should assess the right which is claimed for a particular name. Allocation of that name should then take place on a first-come, first-served basis if there are two or more applicants for a domain name, each having a prior right.”
The Sunrise Rules govern all applications during the phased registration period (vide Object and Scope).
Section 3.1 (1) of the Sunrise Rules states that an application is only considered complete when the Applicant provides the Registry, via a registrar, with at least the following information, inter alia the full name of the Applicant.

Section 11 (1) of the Sunrise Rules provides that "during the first phase of the Phased Registration Period, only Domain Names that correspond to (i) registered Community or national trade marks or (ii) geographical indications or designations of origin, may be applied for by the holder ...of the Prior Right concerned…"

Section 13 (1) (ii) of the Sunrise Rules provides that "where the Prior Right claimed by an Applicant is a registered trademark, the trade mark must be registered by a trade mark office in one of the member states, the Benelux Trade Marks Office or the Office for Harmonisation in the Internal Market (OHIM), or it must be internationally registered and protection must have been obtained in at least one of the member states of the European Union."

Section 11 (3) of the Sunrise Rules states, that the Applicant for a domain name must be the owner or licensee of the claimed Prior Right.

Section 20 (3) states, that if, for any reasons other than as are referred to in Section 20(1) and 20(2) hereof, the Documentary Evidence provided does not clearly indicate the name of the Applicant as being the holder of the Prior Right claimed, the Applicant must submit official documents substantiating that it is the same person as or the legal successor to the person indicated in the Documentary Evidence as being the holder of the Prior Right.

Section 21 (3) states, that the Validation Agent is permitted in its sole discretion, to conduct its own investigations into the circumstances of the Application, the Prior Right claimed and the Documentary Evidence produced.

The Complainant is a German company that is duly incorporated in Germany within the European Community and is the registered owner of the national Trademark “PEARL” with registration number 39740336. the name was registered on 25 February 1998 with the German national register of trademarks.

On 13 December 2005, the Complainant applied to register the domain name pearl.eu during Phase I of the phased registration period.

In support of its application under the Sunrise Rules, the Complainant cited the above mentioned German national Trademark 39740336 “PEARL” as the demanded Prior Right. The Complainant's ownership of the said trade mark registration was not in dispute and the Complainant submitted documentary evidence of the said registration in the form of an original extract from the national German Trademark register.

The Respondent refused to register the domain name < pearl.eu> in the name of the Complainant during the Sunrise Period on the grounds that the documentary evidence furnished did not substantiate that the applicant for the domain name is the holder of the Prior Right on the domain name.

In this respect, on 6 July 2006 the Complainant received from EURID an email message that the request was rejected and following a telephone inquiry, the Complainant was informed by the EURid that the trademark owner did not agree with the applicant of the domain name pearl.eu.

A. COMPLAINANT

The Complainant submits that the Respondent’s refusal to register the domain name < pearl.eu> in his name because the name of the trademark owner was not the same as that of the applicant of the domain name pearl.eu was incorrect.

The Complainant submits that the domain name and the trade mark, on which the Complainant claims a Prior Right, are absolutely identical. Even though the company name of the Complainant was abbreviated in the application, it was easily recognizable as a common abbreviation and that by no means could EURid come to the conclusion that the Complainant is not the owner of the trade mark. In the application for the domain name <pearl.eu>, the name of the Complainant was abbreviated to “PEARL Agency GmbH" rather than the full name "PEARL Agency Allgemeine Vermittlungsgesellschaft mbH".

The Complainant contends that the differences in the names of the applicant for the domain name and the owner of the trademark did not allow the validation agent or the Registry to reasonably conclude, that they were not one and the same. The Complainant contends that the validation agent of the EURid had to recognize by the submitted proofs, that the trademark owner and the applicant of the domain pearl.eu were absolutely identical.

The Complainant contends that the documents that were submitted contain an accompanying letter dated 19 December 2005, which showed the company name in detailed representation “PEARL Agency Allgemeine Vermittlungsgesellschaft mbH” (Letterhead) and in shortened form of “PEARL Agency GmbH” (Adress and Signature field of letter). This demonstrated that "PEARL Agency GmbH" was solely an abbreviation.

The Complainant submits that the validation agent had an obligation to take the content of the accompanying letter of 19 December

2005 into account when issuing his decision. By failing to consider the said letter, the validation agent violated Section 20 (3) of the Sunrise Rules, which prescribes that the Applicant shall be asked by the validation agent "to submit official documents substantiating that it is the same person as or the legal successor to the person indicated in the Documentary Evidence as being the holder of the Prior Right".

The Complainant submits that the obligation to contact the Complainant concerning additional Documentary Evidence further results out of Section 21 (3), whereupon the validation agent is enabled to ask for additional documents. Since the discrepancy between “PEARL Agency GmbH” and “PEARL Agency Allgemeine Vermittlungsgesellschaft mbH” was solely based upon the descriptive elements "Allgemeine Vermittlungsgesellschaft", the Complainant contends that the validation agent was not allowed to base his declining decision only on this element. He had an obligation to compare the details in the application with the letterhead of the accompanying letter of 19 December 2005. if he had done so he would have found out easily, that the address, city and telephone details were absolutely identical, so it was not even necessary to contact the Complainant about the discrepancy between the name and abbreviation.

For these reasons, in accordance with Section B 11 (c) of the ADR Rules the Complainant requests the annulment of the disputed decision taken by the Registry and the attribution of the domain name pearl.eu to the Complainant.

B. RESPONDENT

With regards to the grounds on which the Respondent rejected the application by Pearl Agency Gmbh for the Pearl domain name, the Respondent submits that Pearl Agency GmbH applied for the domain name PEARL on 13 December 2006. The processing agent received the documentary evidence later on, on 22 December 2006, which was before the 22 January 2006 deadline. The documentary evidence consisted of a trademark registered in the name of Pearl Agency Allgemeine Vermittlungsgesellschaft mbH. Due to the difference in name between the holder of the prior right and the Complainant, the Respondent submits that the validation agent concluded that both were different entities and advised the Respondent to reject the Complainant's application. As a result, the Respondent rejected the Complainant's application.

The Respondent further contends that the Regulation and the Sunrise Rules clearly and certainly provide that the Complaint had the burden of proving that he was the holder of a prior right and that in the case at hand, there was a difference between the name of the holder of the trademark which was submitted as documentary evidence and the name of the applicant of the domain name.

Furthermore, the Respondent submits that when there is a difference between the name of the applicant and the name of the owner of the prior right, the applicant must submit official documents explaining why and how it is entitled to rely on a prior right which, in the face of the documentary evidence, appears to belong to someone else. If the applicant fails to do so, its application must be rejected and the Respondent must then give the next applicant in line the opportunity to try to demonstrate its prior rights. During the Sunrise Period, the principle "first-come, first-served" is indeed more properly described as "first-come-and-substantiate, first-served". In other words, during the Sunrise Period, the first applicant in the line does not have an unconditional right to the domain name, but only has an opportunity to try to clearly demonstrate that it is the holder of a prior right.

In addition, the Respondent contends that according to the Regulation, the burden of proof was on the Complainant to substantiate that he was the holder or the licensee of a prior right. The relevant question was not whether the Complainant was the holder of a prior right, but whether the Complainant demonstrated to the validation agent that he was the holder of a prior right. In this case, the Complainant failed to submit all documents which showed that he was the owner of a prior right and thus his application was rejected.

In this respect, the Complainant's name was different from the name of the holder of the German PEARL trademark and the Complainant failed to explain the difference in the names. Without any further explanation in the documentary evidence, the Respondent was in no position to determine whether the Complainant was entitled to rely on the claimed trademarks.

With regard to the Complainant’s argument that the accompanying letter to the documentary evidence sufficiently explained what the reason for the difference was the Respondent submits that this document merely referred to two names without providing any explanation as to the differences in the names. In fact, the Complainant had the burden of proving his prior right on the basis of the documentary evidence, and even if an inference could be drawn from the common addresses in the application and the trademark registration, it did not follow that the applicant was the same company. The applicant had an obligation to actually explain the difference in the names, something that it failed to do in the case at hand in the accompanying letter. Therefore, the Respondent disagreed that the accompanying letter corrected the Applicant's mistake.

The Respondent further submits that the Validation agent and the EURid were under no obligation to investigate into the circumstances of the application.

The Respondent concluded that the Complainant had to comply with the strict procedure laid out by the Regulation for dealing with the thousands of applications received during the phased registration and making sure that these applications were substantiated. The Complainant in the present case did not seize this opportunity, because its application did not correctly fulfil the substantial requirements. Any right given to the Complainant to correct its defective application at this stage of the procedure would be unfair to the other applicants and would clearly be in breach of the Regulation and the Sunrise Rules and it would treat unfairly any other applicant that may have filed for the Domain Names immediately after the Complainant.

For these reasons, the Respondent submits that the Complaint must be rejected.

DISCUSSION AND FINDINGS

The Panelist determines as follows:

The Panelist accepts the Complainant's claim that it is the owner of the German national Trademark 39740336 "PEARL" as a Prior Right. This material fact is not disputed by the Respondent.

The Panelist further accepts all arguments presented by the Complainant with respect to its compliance with Art. 10 (1) of Regulation 874/2004, Art. 12(3) of Regulation 874/2004, Recital 12 of Regulation 874/2004, Art. 3 of Regulation 874/2004, as well as Section 3.1 (1), Section 11 (1) and 11(3), Section 13 (1) (ii) of the Sunrise Rules, Section 20(3) and Section 21(3) of the Sunrise Rules.

The Respondent attempts to have the arguments raised by the Complainant dismissed as irrelevant on the ground that the Regulation and the Sunrise Rules clearly and certainly provide that the burden of proof is with the Complainant to demonstrate that he was the holder of a prior right, without disputing that the Complainant had such a right in the first place. In other words, the Respondent accepts that the Complainant actually had a prior right on the basis of the trademark registration certificate which, however, then refuses to take into account claiming that it belonged to a different company with a different name than that of the Complainant. The Panel finds that this is contradicting on the part of the Respondent.

In the case at hand, the Respondent claims that there was a difference between the name of the holder of the trademark which was submitted as documentary evidence and the name of the applicant of the domain name. The documentary evidence consisted of a trademark registered in the name of Pearl Agency Allgemeine Vermittlungsgesellschaft mbH while the Respondent submits that Pearl Agency GmbH applied for the domain name PEARL.

According to the Respondent, this difference had led to the rejection of the application of the Complainant due to the fact that the validation agent could not conclude that the applicant was the same person as the holder of the trademark, even though the applicant was the same person who had in fact transmitted the trademark certificate as documentary evidence.

The Panel questions the reason why would the Complainant submit to the validation agent documentary evidence of a different company if it was not the holder of the trademark right. The Panel finds that it was clear that the Complainant applicant would not have submitted any documentary evidence that would not reasonably infer that he was the holder of the prior right. To submit documentary evidence that did not belong to him would constitute fraud.

The Panel believes that in accordance with Article 14 of EC Regulation No. 874/2004, the Validation Agent had a duty to materially, not just formally examine whether or not the Complainant had the Prior Right on the name claimed in the Documentary Evidence submitted. The said Article provides, inter alia, that:

"…Every applicant shall submit documentary evidence that shows that he or she is the holder of the prior right claimed on the name in question. The documentary evidence shall be submitted to a validation agent indicated by the Registry. The applicant shall submit the evidence in such a way that it shall be received by the validation agent within forty days from the submission of the application for the domain name. If the documentary evidence has not been received by this deadline, the application for the domain name shall be rejected…."

"…The relevant validation agent shall examine whether the applicant that is first in line to be assessed for a domain name and that has submitted the documentary evidence before the deadline has prior rights on the name. If the documentary evidence has not been received in time or if the validation agent finds that the documentary evidence does not substantiate a prior right, he shall notify the Registry of this..."

In the case under consideration, the Complainant had submitted the documentary evidence, namely the application and the

accompanying letter of 19 December 2005 within the forty day deadline from the submission of the application for the domain name. The Panel finds that the accompanying letter constituted an official document substantiating that the Complainant was the same person as the holder of the prior right.

With regards to the Respondent's claim that the Complainant had the burden of proving that he was the holder of the prior right and that the Respondent and the Validation Agent did not have an obligation to investigate into the circumstances of the application and as to the reasons why two different names appeared, the Panel finds that although the Complainant had such a duty, nevertheless, the Validation Agent is not exempted from the requirement to act reasonably.

A material, in the essence, and not just a formal examination by the Validation Agent whether or not the Complainant actually had the Prior Rights on the name claimed in the Documentary Evidence he had submitted would have reasonably revealed that the Complainant was the same person who had filed the application for the domain name and the same person who was the holder of the Prior Right.

The Panel is of the opinion that the name of the applicant did not significantly differ from that of the prior right owner as demonstrated in the Documentary Evidence, especially since the complete company name was used on the company letterhead which indicated that the company applying may well have been the company appearing on the letter head.

As to the level of examination by the validation agent which is considered by the Panel to have been reasonable under the circumstances of the case under consideration, including the price for the examination and validation, the Panel is of the opinion that a simple phone call or fax or e-mail was sufficient and easy to make or send, without excessive costs and use of excessive time and resources, for the purpose of ascertaining that the Complainant was the trademark holder – prior right holder.
In addition, in order to see if the Validation Agent could have "reasonably concluded" in the face of any doubts raised by the differences in name between the name Pearl Agency Allgemeine Vermittlungsgesellschaft mbH on the trademark registration and the name Pearl Agency GmbH, the Panel made an internet search on Eurodicautom, the multilingual term bank of the European Commission (http://ec.europa.eu/eurodicautom/Controller) in order to compare the terms Allgemeine Vermittlungs gesellschaft mbH and GmbH. The Panel found that because "gesellschaft mbH" and "GmbH" were essentially the same words as GmbH stands for Gesellschaft mit beschränkter Haftung, the only remaining difference was with the words Allgemeine Vermittlungs which stands for General Exchange or switching.

The Panel examined the reason why the words Allgemeine Vermittlungs appear on the trademark registration as well as on the company letterhead on the Accompanying Letter of 19 December 2005 in an effort to establish why the said words were not used on the same document , namely the Accompanying letter at the point where the applicant sets its signature. For this purpose, the Panel made a quick search on the google search engine under the name pearl agency and located immediately the company's website http://www.pearl.de. By entering the said website, the panel found that the website contained the following information on the home page:

© 1995-2006 PEARL-Group:

Deutschland:

PEARL Agency Allgemeine Vermittlungsgesellschaft mbH
PEARL-Straße 1-3, D-79426 Buggingen / Germany
Tel.: +49-(0)7631-360-200
Fax: +49-(0)7631-360-444

It was obvious to the Panel that for Germany, the company that was the licensee for the German domain name was PEARL Agency Allgemeine Vermittlungsgesellschaft mbH. A further search on the same website http://www.pearl.de/firmen_info/german/deutschland/deutschland.htm revealed that under the heading PEARL Agency Allgemeine Vermittlungsgesellschaft mbH, the website referred to the general name "PEARL Agency Germany" which is "…the European head office of the PEARL group." On the bottom of that same page the following statement appeared: "© 2000 PEARL Agency GmbH". It was thus obvious to the Panel that it was reasonable that the term PEARL Agency GmbH and PEARL Agency Germany meant the same company, namely PEARL Agency Allgemeine Vermittlungsgesellschaft mbH, which was the official company name. The Panel's certainty was further increased by the fact that the address on the website was absolutely the same as that on the Accompanying Letter and the trademark registration.

The Respondent refers to Section 21.2. of the Sunrise Rules which state that "…The Validation Agent examines whether the Applicant has a Prior Right to the name exclusively on the basis of a prima facie review of the first set of Documentary Evidence received and scanned by the Processing Agent (including the Documentary Evidence received electronically, where applicable) and in accordance with

the provisions of these Sunrise Rules".

The Panel finds that if the Validation Agent had carried out a prima facie review, it would have found, in just a few keystrokes and in a few minutes, as the Panel managed to do without any effort, a reasonable match between the Documentary Evidence and the application form to reasonably conclude that the holder of the prior right and the applicant were clearly very probably one and the same legal person. The Validation Agent could have converted the clearly high probability into absolute certainty by sending a short e-mail to the applicant or even by making a simple phone call or fax requesting clarifications. Just like the Panel did, the Validation Agent could have carried out a simple investigation that did not necessitate the use of excessive resources in terms of money and time in order to avoid any doubts and to reasonably conclude that the applicant and the holder of the Prior Rights were clearly one and the same person.

The Respondent argues that under section 21 (3) of the Sunrise Rules the Validation Agent is granted “sole discretion” to carry out investigations into the circumstances of the Application, the Prior Right claimed and the Documentary Evidence produced. The Respondent adds that Section 21.3 of the Sunrise Rules does not impose any obligation for the Validation agent to conduct its own investigation; it is a mere possibility that the Respondent can use "in its sole discretion" and that this is supported by the consideration that the Regulation places the burden of proof on the applicant to show that it is the holder of a prior right.

The Panel is of the opinion that when granted such discretion, the Validation Agent is not exempted from the requirement to act reasonably. In the circumstances of the case, the Validation Agent could have easily cleared up any doubts by seeking and obtaining further proof of identity or simple clarifications despite a slightly abbreviated name. It is clearly the intention of the .eu Sunrise Rules that the role of the Validation Agent should go far beyond that of a mere clerical function otherwise it would not have been afforded with any investigative powers, even if he can use same at his sole discretion. Despite the fact that there was not an immediate and perfect match between the Accompanying Letter forming the Documentary Evidence and the domain name application, this was not a sufficient excuse to reject the application for a domain name without carrying out simple and reasonable investigation.

The Panel adds that according to Article 14 of EC Regulation No. 874/2004, the "validation agent shall examine whether the first applicant to be assessed". It is clear from this wording that the respondent and the Validation Agent have to ‘assess’ the case before them, by assessing the documentary evidence in general, and not only to reach a conclusion without any effort in order to save time. The Panel is also of the opinion that it was reasonable to expect, due to the nature of his job, that the Validation Agent had at least a basic knowledge of German law. As a result, if it is customary under German law to use such an abbreviation of the name under German legal practice, then the validation agent could reasonably suspect that the applicant and the trademark holder constituted the same company. The Validation Agent should have been able to recognize and confirm whether or not the difference in the name of the applicant and the name of the holder of prior rights arises from requirements of German law.

In addition, the Panel is of the opinion that the Respondent has an obligation to observe the spirit of the Regulations, namely, to safeguard prior rights recognised by Community or national law. It must, therefore, protect the rightful holders of prior rights who make applications for domain names and to reject them without applying due care. The principal idea behind the Sunrise Rules is to ensure that cybersquatting is avoided. Therefore, it is necessary to protect the applicant who is the rightful trademark holder from a subsequent applicant who is not the rightful owner. It was easy in this case to make simple inquiries as described hereinabove, to ascertain why there was a minor difference in the two names, namely, the use of the whole company name and the short company name of the same company.

The facts of the case demonstrate that the Complainant was the applicant during the phased registration period and that the Complainant is the owner of the Prior Right on which the application is based. The intended purpose of the phased registration period as set out in Recital 12 of said Regulation 874/2004 was “to safeguard prior rights recognised by Community or national law”.

In the circumstances the decision of Respondent should be annulled and the Complainant's requests granted.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the EURID's decision be annulled and the domain name <pearl.eu> be registered in the name of PEARL Agency Allgemeine Vermittlungsgesellschaft mbH also known as Pearl Agency GmbH.

PANELISTS

Name	**Olga Georgiades**

DATE OF PANEL DECISION 2006-11-10

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The complainant challenged the rejection of its domain name application by the registry. Although the complainant was the first applicant for the domain name <pearl.eu> and submitted the proof of a community trademark registration in time, the registry rejected the application.

The Complainant being Pearl Agency Allgemeine Vermittlungsgesellschaft mbH filed the application under a shorter version of its official name, namely, Pearl Agency GmbH. The documentary evidence consisted of a trademark registered in the name of Pearl Agency Allgemeine Vermittlungsgesellschaft mbH. Due to the difference in name between the holder of the prior right and the Complainant, the Respondent submitted that the validation agent concluded that both were different entities and advised the Respondent to reject the Complainant's application. As a result, the registry followed the findings of the Validation Agent and rejected the Complainant's application.

However, the registry did not advance any proof that the validation agent, on whose findings it relied for rejection, had made reasonable efforts to, in terms of section 21 (3) of the Sunshine Rules, " conduct its own investigations into the circumstances of the Application, the Prior Right claimed and the Documentary Evidence produced." While the same section 21 (3) grants the Validation Agent "sole discretion" to carry out such investigations, the Panelist is of the opinion that it is a fundamental principle of justice that, when granted such discretion, the Validation Agent is not exempted from the requirement to act reasonably. In the circumstances of the case, the Validation Agent could have easily cleared up any doubts by seeking and obtaining further proof of identity despite an abbreviated name. It would be unreasonable for the Validation Agent not to have expended the minimum of effort to clear this doubt.

The Panelist therefore annulled the registry's decision, as the proof of prior right was valid, produced in good time and is sufficient for an applicant to become the holder of a .eu domain name. The Panelist therefore ordered the attribution of the domain name pearl.eu to the Complainant.